

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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|   |   |                        |
|---|---|------------------------|
| UNITED STATES OF AMERICA,                   | ) |                        |
| <i>ex rel.</i> GORDON F.B. ONDIS,           | ) |                        |
| Plaintiff,                                  | ) |                        |
|   | ) |                        |
| v.  | ) | CIVIL NO. 05-10312-MLW |
|   | ) |                        |
| CITY OF WOONSOCKET, RHODE                   | ) |                        |
| ISLAND; SUSAN D. MENARD, in her             | ) |                        |
| individual capacity and in her capacity as  | ) |                        |
| Mayor of the City of Woonsocket, Rhode      | ) |                        |
| Island; JOEL D. MATHEWS, in his             | ) |                        |
| individual capacity and in his capacity as  | ) |                        |
| Director of Planning and Community          | ) |                        |
| Development of the City of Woonsocket,      | ) |                        |
| Rhode Island; PAULETTE MILLER, in           | ) |                        |
| her individual capacity and in her capacity | ) |                        |
| as Assistant Director of Planning and       | ) |                        |
| Community Development of the City of        | ) |                        |
| Woonsocket; OWEN T. BEBEAU, in his          | ) |                        |
| individual capacity and in his capacity as  | ) |                        |
| Director of Human Services of the City of   | ) |                        |
| Woonsocket, Rhode Island; MICHAEL           | ) |                        |
| ANNARUMMO, in his individual capacity       | ) |                        |
| and in his capacity as Director of          | ) |                        |
| Administration and Director of Public       | ) |                        |
| Works of the City of Woonsocket, Rhode      | ) |                        |
| Island;                                     | ) |                        |
| Defendants.                                 | ) |                        |
|   | ) |                        |

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**AFFIDAVIT OF JUSTIN P. O'BRIEN, ESQ.**  
**IN SUPPORT OF MOTION TO DISMISS**

I, Justin P. O'Brien, hereby state as follows:

1. I am an attorney admitted to practice in the Commonwealth of Massachusetts (BBO No. 658765) and the United States District Court for the District of Massachusetts, and I am an associate at Dwyer & Collora LLP in Boston, Massachusetts.

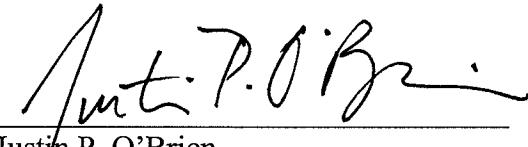
2. I am one of the attorneys representing the Defendants in the above-captioned matter.

3. Attached are newspaper articles that are referenced in the Memorandum of Law in Support of Defendants' Motion to Dismiss ("newspaper articles").

4. I obtained each of these newspaper articles from the website of The Call newspaper, available at <http://www.woonsocketcall.com>.

5. Each of the newspaper articles is a true and correct copy.

SIGNED UNDER THE PENALTIES OF PERJURY, this 19th day of May, 2006.

  
\_\_\_\_\_  
Justin P. O'Brien

61923\_1

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above document was served upon the attorney of record for each other party by mail and on 3/19/06 by E-MAIL Justin P. O'Brien.

# The Record

01/31/2004

## City no longer first in affordable housing

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- The city has lost the dubious distinction of being ranked the No. 1 community in the state for its quantity of low- to moderate-income housing, falling behind Newport in a new inventory by the Rhode Island Housing and Mortgage Finance Corporation, officials said.

Citing a preliminary draft of the RIHMFC report, Human Services Director Owen T. Bebeau said 16.53 percent of the city's housing stock is considered affordable by families with low or moderate household incomes, compared to 16.97 percent for Newport.

The shift reflects the loss of 166 units of low- to moderate-income housing since RIHMFC last conducted an inventory of state housing in August 2002, according to a memo Bebeau wrote to members of the City Council.

The councilors had asked Bebeau to research the issue after a Providence developer lobbied to build 160 units of apartment houses off Diamond Hill Road, a plan that surfaced as an alternative to the proposed expansion of Wal-Mart, which has since been green-lighted.

Bebeau credited the shift in housing to the policies of Mayor Susan D. Menard aimed at restricting the growth of subsidized housing. Menard invoked a moratorium on the development of such units after taking office in 1995, arguing that the city has done more than its share of meeting the burden of providing affordable housing to the region's low- to moderate-income families.

The city contends that "Woonsocket has reached its peak in regards to these units and her administration would no longer support projects" that would increase the city's share of affordable housing," Bebeau said.

In addition to restricting the construction of new units, the city has embarked on a program of demolishing substandard housing in recent years, attempting to decrease density in some of the city's congested neighborhoods by opening land for additional parking, backyards and recreation.

In the process, some low- and moderate-income rental units have been eliminated, according to officials. Also, the Woonsocket Housing Authority, the city's biggest landlord for rent-subsidized property, has taken some units off-line, converting them into community areas and classroom space for tenants.

The state says all communities should strive to make 10 percent of their overall housing stock affordable to low- and moderate-income families. In 2002, legislators passed a measure to make it easier for for-profit developers to build affordable housing in suburban areas with more restrictive zoning laws. Amid strenuous opposition from Lincoln, Cumberland, Smithfield and other suburban communities, the General Assembly is currently in the process of revising the law and enacting a moratorium on for-profit developments.

"The good news is that we're still way, way above the threshold," said Economic Development Director Jeffrey Polucha.

Polucha said housing is one of the biggest concerns of companies thinking about investing in Woonsocket, along with taxes, schools and other amenities.

"They're concerned about what kind of housing stock you have," said Polucha. "They want to know where their employees are going to live."

After Woonsocket, the RIHMFC study said Central Falls ranked third, with 14.61 percent, followed by Providence, 14.03 percent; East Providence; 10.87 percent; Middletown, 8.72 percent; Johnston, 8.20 percent; Pawtucket, 8.18 percent; North Kingstown, 7.87 percent; and West Warwick, 7.53 percent.

Burrillville leads communities in the Greater Woonsocket area with 7.16 percent low- and moderate-income housing, followed by Lincoln, 6.64 percent; North Smithfield, 6.61 percent; Cumberland, 6.01 percent; Gloucester, 3.65 percent; and Foster, 2.53 percent.

Overall, Little Compton came in last, with just a tenth of a percent of its housing considered low- to moderate-income, and Scituate, second-to-last, with 1 percent.





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# The Call

02/07/2001

## WNDC rings up ?no sale?

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- The Woonsocket Neighborhood Development Corporation (WNDC) has rejected the city's offer to buy nine acres of land off Rhodes Avenue where the non-profit construction organization has begun clearing trees for a controversial plat of "affordable" single-family homes.

"We're not going to sell it," said Joseph Garlick, WNDC executive director. "There's just too much of a need for affordable homes among first-time homebuyers in the area."

Garlick's comments came after he received a letter from Mayor Susan D. Menard yesterday in which the mayor expressed "my strong opposition" to WNDC's plans for 13 homes on the site. The plans, which surfaced around August 1997, had been tied up in litigation until December, when Superior Court Judge Judith Savage granted WNDC a six-month extension of plat approval. The permit had previously been denied to the agency by the Planning Board and the Zoning Board, leading WNDC to appeal to the Superior Court.

It was the second time Savage had upheld WNDC on an appeal related to the case. Previously, WNDC had gone to court saying planners had erroneously refused to put the request for plat approval on their meeting agenda.

In a letter addressed to Garlick, Menard said she has supported WNDC's efforts to rehabilitate vacant housing in Constitution Hill. The agency poured some \$10.4 million into the neighborhood during the 1990s, tearing down some boarded-up, dilapidated houses and restoring others, ultimately converting about 25 tenements into like-new apartments for dozens of families with household earnings considered low or moderate.

"Your efforts have been both beneficial to the residents in this upgraded housing as well as the City of Woonsocket," Menard said. "I am, however, strongly opposed to the concept of a quasi-public organization such as yours constructing new single-family houses on undeveloped land in the city's prime neighborhoods."

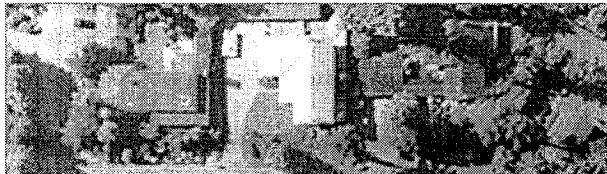
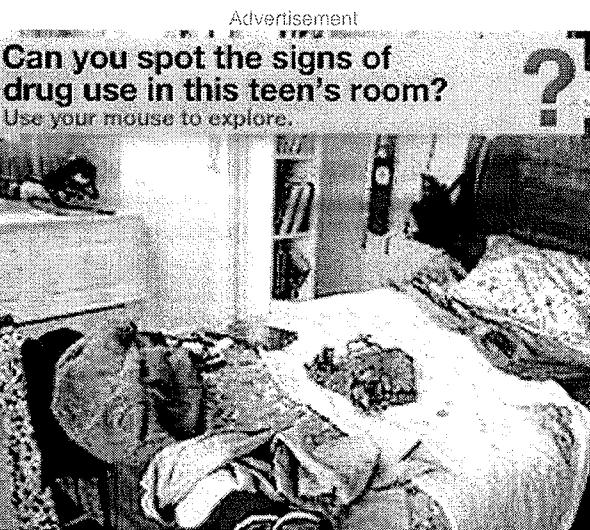
Menard also called the parcel "extremely difficult to develop." Under the plan, the houses would be built on lots of 10,000 square feet which are grandfathered-in under now-obsolete zoning, while current law calls for bigger lots. She said construction will be "disruptive" to neighbors and have a "long-term negative impact."

The mayor said the city will not provide municipal water to the houses because of low pressure in the area, which was originally targeted for a so-called Rhodes Avenue Conservation Area in the 1970s. She said the project would "substantially increase the school population while providing limited new property taxes" to offset the drain on services.

Neighbors are "unanimous in their strong opposition" to the project, according to the mayor.

WNDC has answered many of the concerns raised by the mayor previously. Feasibility tests suggest underground wells will provide plentiful water for homes in the area, which WNDC says would be owner-occupied. Garlick maintains there are prospective buyers who can't afford property in mainstream markets waiting for a chance to buy into the development. The agency's mission, he said, is to provide buying opportunities -- not just rentals -- to people from limited economic means.

Garlick said no one who lives in the neighborhood has complained to WNDC about the proposed development, where work began after zoneers granted minor dimensional variances last month. Planning Director Joel D. Mathews said previously the city could pay WNDC about \$190,000 for the parcel, in part, with a grant from the state Department of Environmental Management.



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# The Call

12/09/2003

## City favors Wal-Mart bid

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- Calling it "substantially superior" to an alternative proposal for new housing, officials have given their blessing to Wal-Mart's plans to marry groceries and retail goods in a new Supercenter on city-owned land adjacent to its Diamond Hill Road store. Planning Director Joel D. Mathews told members of the City Council Monday that the administration will ask them to approve two pieces of legislation on Dec. 15 to permit the sale of the six-acre parcel to the Bentonville, Ark., retail giant to go forward. One will allow Mayor Susan D. Menard to enter a purchase and sale agreement with Wal-Mart; the other will change the zoning of the open land to allow commercial development.

The recommendation effectively deep-sixes a rival offer from Churchill & Banks, a Providence real estate developer. City officials had rated both proposals in terms of price, tax revenue, job creation and other unspecified benefits. Wal-Mart's proposal scored an 86 out of a possible 100; Churchill & Banks, 53.

The recommendation was revealed during an informal briefing of the City Council by Mathews, Administration/Public Works Director Michael A. Annarummo and Human Services Director Owen T. Bebeau in City Hall.

The city put the parcel, sandwiched between Patton Road and Wal-Mart, up for sale after Wal-Mart approached the city recently about expanding into a so-called Supercenter, a sort of supermarket within a traditional Wal-Mart store.

If the deal goes through, Wal-Mart would nearly double the size of its existing store -- to 206,000 square feet.

Mathews said the move would generate some \$350,000 in new taxes a year, making Wal-Mart's annual property tax bill close to \$900,000 a year, and create about 150 permanent new jobs. If the store isn't approved, Wal-Mart, Mathews said, would likely look for another location to build a Supercenter in Woonsocket or another community nearby, possibly abandoning the existing store altogether.

"It wasn't presented as a threat," Mathews said. "We're reacting to this proposal as if it's the most preferable of all the options."

Wal-Mart offered \$480,000 for the parcel, a price that includes an extensive overhaul to a substandard retention pond on the site that causes flooding in the housing plats south of Wal-Mart, Mathews said. The offer for the six acres is \$45,000 less than that of Churchill & Banks, but the developer also wants a commitment from the city to convey an additional 12 acres of abutting land to the company for \$150,000.

Churchill & Banks wants to build 160 apartments clustered in 10 two-story buildings on the parcel, but the proposal would generate only \$295,000 in annual property taxes and a handful of permanent jobs. The company hasn't yet been afforded an opportunity to address the drainage issue, but city officials were openly dubious of its willingness to bankroll the improvements on the same scale as Wal-Mart.

Several years ago Annarummo said an engineering study pegged the cost of improvements to the retention pond at \$2 million.

"This is a very significant improvement to a very marginal situation," said Annarummo.

Mathews warned members of the City Council that they may face pressure from labor unions associated with Shaw's Superstores and other area supermarkets when they consider the proposal next Monday. The city, he said, has already been flooded with information from the United Food & Commercial Workers Union, portraying the Supercenter invasion as a bad deal for employees of existing supermarkets.

The campaign, he said, has been reverberating throughout the country as Wal-Mart embarks on a Supercenter construction spree. Wal-Mart reportedly wants to build about 230 Supercenters across the United States during the next fiscal year.

"There could be some opposition," said Mathews. "Wal-Mart does pay less and their benefits are less than (union supermarket workers) receive now, and that would put some pressure on them when they go into negotiations with their companies."

But Councilwoman Suzanne E. Pouliot said she would not be swayed by overtures from the labor unions. Pouliot took the position that what Shaw's pays its workers is a matter for the company and the UFCW to work out.

"That has nothing to do with us," said Pouliot. "We don't have anything to do with company relations."

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City officials seemed inclined to think that if there is a serious hurdle Wal-Mart faces, it will come not from the city or labor, but from the state Department of Environmental Management. If Wal-Mart wants to build near, or alter, the retention pond behind its existing store, it will need a wetlands permit. Wal-Mart could get discouraged by the lengthy processing and begin looking for an alternative site for the Supercenter, officials said.

But Annarummo said Wal-Mart is aware of the issue and seems confident that it will be able to work it out with the state on an acceptable schedule. At any rate, he said, Wal-Mart cannot proceed until they have all regulatory approvals.

"Can they get Rhode Island DEM in six months? I'd be very surprised," said Annarummo.

In addition to Pouliot, only Council President Leo T. Fontaine, William D. Schneck Jr. and Brian Blais attended the work session (four of seven members). They commented favorably on the Wal-Mart proposal, although Blais said that when the time comes he would oppose a Supercenter being open 24 hours a day, as the hybrid stores generally are.

"I don't see a lot of negatives from a planning standpoint," Fontaine commented, and the overall impact on jobs and taxes are pluses for the city, he added.

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# The Call

05/30/2001

## Zoners OK apartments

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- Voting 5-0, the Zoning Board of Review last night quickly approved a North Reading, Mass., company's plans for 252 "luxury" apartments on Mill Street, at the site of the former Electronic Molding Corp., razed after an arson fire last summer. Board members voted after experts from the Aspen Group Inc. made a two-hour pitch for their proposed housing, dubbed River Bend Apartments. Several abutters complained that the sprawling complex will lack sufficient parking, but zoners said the company must have at least 1.75 spaces per unit or scale back the number of dwellings. The zoning ordinance normally requires two spaces per unit.

A big portion of the company's proposal was devoted to justifying the \$1,200-per-month rents their apartments will command.

Driven by the creation of new, good-paying jobs at companies like EMC in Franklin, Fidelity Investments in Smithfield, and Amica Insurance in Lincoln, they said, a twin development in Cumberland with 288 units has been renting at the rate of nearly an apartment a day since October.

"There is a decided under-supply of upscale apartments in this area," said Brian Kelleher, the president of the Aspen Group. "When you take a regional approach, we really saw Woonsocket as being the eye of the hurricane for all this growth."

The company's proposal calls for 252 units on a 9.9-acre parcel roughly bounded by the Peters River, Mill Street and Wood Avenue. Home of the former Electronic Molding Corp., the complex was leveled after the labyrinthine warren of mill buildings was heavily damaged in an arson fire last June 9. The site is in a so-called "mixed use" zone where housing is allowed only by explicit permission of the zoning board, but city officials say that the parcel should be rezoned for better harmony with the largely residential surroundings.

"If a comprehensive citywide rezoning was being conducted at this time then it would be the recommendation of this department that the area now be rezoned.. Planning Director Joel D. Mathews told zoners in a memo.

The company is planning just two motor vehicle entrances, on Mill Street and Wood Avenue, to enhance privacy and limit congestion. Traffic experts testified the impact would be negligible, but several abutters were concerned about parking.

Brian Shaw, the owner of Shaw's Meats, at the bottom of Mill Street, said, "I have the tow-truck operator on speed dial already because of problems with parking." The company said it would set aside five or 10 spaces for visitor parking at a proposed 3,500-square-foot clubhouse.

City officials endorsed the proposal after securing guarantees that the site will never be used for subsidized housing. Zoners reinforced the requirement by making the no-subsidy guarantee a condition of their approval.

"I and my administration are extremely pleased with the proposal," said Mayor Susan D. Menard, predicting the project "will have a positive economic impact on the city."

The Aspen Group says River Bend will be similar to Cumberland Crossings, a 288-unit complex the company recently finished near the junction of routes 114 and 295 where rents average about \$1,300 a month. Menard recently toured the Cumberland development and came away "extremely impressed" by how rapidly the company was able to rent the apartments. Aspen said only 19 children live in the complex, some college age.

River Bend's 252 one- and two-bedroom units will be clustered in several three-story, wood and brick buildings. The units will be 750 and 1,050 square feet, with rents ranging from \$900 to \$1,200 a month, according to the Aspen Group. The buildings will be "contemporary New England architecture." About 20 percent of the units will have single-bay garages built underneath the living space.

The complex also calls for a clubhouse with a fitness center and an in-ground swimming pool.

Inside the buildings, residents will enjoy "modern luxury floor plans," the developers say. All units will have a balcony or private patio, full-size washers, dryers and "designer kitchens" with top-of-the-line appliances. All units will have ceramic tile foyers, wall-to-wall carpeting, gas fireplaces, central air and -- what else? -- high speed Internet connections.

Besides the Aspen Group, other professionals involved in the project are the architectural firm Han D. Strauch & Associates; the Dolben Company Inc., development consultants; and DiPrete Engineering, plus a phalanx of engineering consultants and lawyers. The Dolben

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# The Call

07/19/2001

## Builder wants to change permit

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- The Aspen Group of real estate developers has petitioned the Zoning Board of Review to relax the conditions placed on the North Reading, Mass. firm when the panel approved the company's application to build 252 luxury apartments alongside the Peters River in May.

At issue is a broad requirement calling for "strict compliance" with the plan presented to the board. The plan includes a cap on the number of living units, a ban on federal rent subsidies, minimum parking requirements and a number of other conditions. Aspen is predicting it will be able to command rents of up to \$1,200 a month at the upscale River Bend Apartments, almost the same as the 288-unit Cumberland Crossings complex it built recently at the junction of Interstate 295 and Route 114.

Approved by zoners on May 29, River Bend is not only one of the biggest housing tracts proposed in the city in years, but one of the few to target upper income renters. Except for a few concerns about parking, neighbors have said little to oppose the Mill Street development, on the site of a former factory complex that burned down last summer.

Randall D. Lilly, a partner in the Aspen Group, said the company is not planning any significant changes to the project, despite the request to amend the permit.

The reason for the company's request, said Lilly, is to avoid any problems in getting bank financing.

Lilly said the company recently began talking to the state Department of Environmental Management about how the plans might have to be adapted to comply with regulations for building within the watershed of the Peters River. The company is worried that bank lawyers will perceive even minute alterations to the plans to accommodate environmental concerns as a conflict with the intent of the zoners.

Softening the requirement for strict compliance with the plan approved on May 29 would give the company more leeway to make the necessary changes without creating the perception that the legal underpinnings of the permit have been violated, jeopardizing efforts to get financing, Lilly said.

Right now, said Lilly, all that appears will be necessary to accommodate DEM is a slight "shift" in the position of some of the buildings.

"It's a lawyer thing," he said. "They're looking at financing and taking measures to make sure every 'I' is dotted and 'T' is crossed. The plans haven't really changed, to be honest with you."

The plans call for 252 one- and two-bedroom apartments on a 9.9-acre parcel on Mill Street, where the old Electronic Molding Corp. factory was incinerated in a spectacular arson fire on June 9, 2000. The units will be clustered in several three-story buildings that will dot the rolling parcel, along with a clubhouse and an in-ground swimming pool. Zoning board members attached five conditions to the plans, including a prohibition on three-bedroom apartments; a requirement for no fewer than 20 percent one-bedroom units, with the balance comprised of two-bedroom apartments; and at least 1.75 parking spaces per household.

The one stipulation that Aspen wants changed, however, is tied to all the others, calling for "strict compliance with plans and testimony as presented to the board."

But Walter Pristawa, the chairman of the Zoning Board, said he is not worried that wiping out the verbiage will open the door for wholesale changes to the plans that could undermine the intent of the board.

"All of the other stipulations will remain in place," he said. "This just gives them a little leeway to make some of the changes that are being requested by DEM."

A hearing on the matter is scheduled for Monday at 7:30 p.m. in Harris Hall, on the third floor of City Hall.

Lilly said that if permit negotiations go smoothly with DEM, construction of the complex could begin this fall.

"Now that we're into the state approvals," he said, "I hope it's going to be quick and painless."



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# The Call

06/29/2004

## River Bend could become condos

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- The \$24 million River Bend Apartment complex may be sold to a group of New York investors who want to turn the upscale rental units into condominiums, according to city officials.

The news comes on the heels of reports that the owners of the 252-unit complex have had difficulty leasing apartments, partly because low interest rates have given many would-be renters an incentive to buy property instead of rent. Critics say the owners of the River Bend project have made matters worse by pricing themselves out of the local rental market.

"The rents are too high," said Administration/Public Works Director Michael Annarummo. "I said that from the day they came in here and everybody laughed at me. ... This isn't Cumberland."

River Bend Apartments is owned by SMC Holding Corporation of Watertown, Mass. Nicholas Porcaro, a managing partner with the company, did not return repeated telephone calls on Monday. Also, no one returned messages from either of the telephone numbers maintained at the local leasing office, which was locked during regular business hours.

In May -- about a month after the complex was finished -- Porcaro said the company had leased about five percent of the units at prices ranging from \$900 to \$1,200 a month for 1- and 2-bedroom units, respectively. The sprawling, neatly-landscaped development features such amenities as a large, in-ground swimming pool, a clubhouse with a health spa and basement garages in many units, but the 10-acre site is within shouting distance of some of the city's most blighted tenements in the Social neighborhood.

A few of the units are fewer than 30 feet from the back facades of deteriorating, tenement-style housing on Social Street. The apartment complex was built on the site of a cluster of old mills occupied by the former Electronic Molding Corporation. Most of the original site burned to the ground in a spectacular arson fire on June 9, 1999, and the city razed the rest.

When River Bend was first proposed in 2001, many observers were openly skeptical that it could command the rents the owners were seeking, but the developers countered that commuters from nearby Massachusetts would see River Bend as a comparative bargain next to Boston-level prices. SMC Holding is actually the second group of investors to take over the project, which was launched by Aspen Associates of North Reading, Mass., a company still active in some dealings on downtown-area mills.

During an interview Monday, Annarummo said the prospective buyers have asked for a meeting with Mayor Susan D. Menard to discuss their plans for condominiums. Annarummo said the buyers are represented by former attorney general Sheldon Whitehouse. Annarummo declined to name the buyers, saying Whitehouse has asked that the identity of his clients not yet be divulged. Efforts to reach Whitehouse were not successful.

Annarummo said the city has no objection to the conversion of the site into condominiums - if indeed the new investors can pull it off. But Annarummo says he is skeptical the buyers will have any more luck selling overpriced condos in the Social District than the present owners have had selling overpriced leases in the downtrodden area. And that could be bad news for the city, he said, because there aren't many options left after that but insolvency.

As a condition of receiving a permit to build River Bend, the owners agreed to adopt deed restrictions forbidding the construction of Section 8 or other subsidized apartments on the site. But Annarummo said officials are unsure whether such restrictions would be enforceable if the project changed hands in a bankruptcy petition.

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# The Call

04/09/2001

## City housing plan faces uphill battle

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- A Providence company goes before the Zoning Board of Review tonight with a proposal for one of the largest multifamily apartment complexes in recent memory, but it will be fighting an uphill battle for approval against the administration of Mayor Susan D. Menard.

A&J Development Corp. of Providence wants to build 48 apartments in four, 12-unit buildings on a 4.7-acre wedge of land roughly bounded by Diamond Hill Road and Fulton Street. The Peters River crosses the parcel, which used to house the Star Carbonizing mill. The plant was razed several years ago after a fire.

Planning Director Joel D. Mathews said the administration is against the proposal -- mostly because officials fear it will become a subsidized housing tract. There is no evidence that is what the developers plan, he said, but the company has not shared any information with city officials about its plans despite repeated inquiries, he said.

"Maybe Monday night they will come up with some magical presentation that will address every concern that could possibly be raised, but I don't see that happening," he said. "We're talking about a fairly major housing project and we don't know anything about it or the people doing it."

But Mathews said city officials fear that "the inability to rent it or other failures in the development process" will result in subsidized housing, which Menard's administration is opposed to in principle. Officials believe the city is already a haven for too many low-income houses in comparison to neighboring communities.

That said, Mathews believes there is a shortage of rental housing in the city and the proposal could potentially help fill the void, with some adjustments.

"It's hard to imagine why the developers would not share information with the city when we could be an ally for such a proposal," he said. "We've tried calling them repeatedly."

But A.J. Matteo of A.J. Development Corp., reached at his cell telephone number, says there are no plans for a subsidized housing complex at the site.

"It's going to be for the working man," said Matteo. "It's not going to be a subsidized complex at all. It's going to be a complex for the professional. Nice apartments for working people."

Matteo says city officials called him to ask about the proposal and he told them what his plans are. "I told 'em. They probably don't believe me, but I told 'em," he said.

The proposed construction site is still owned by Andola Fibres Ltd. of Ontario, Canada, the company that used to run the Star Carbonizing plant.

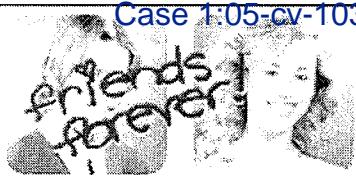
The plans show four buildings of equal size, 3,868 square feet, scattered evenly across the site, with frontage on Fulton Street. The Massachusetts line abuts the parcel on the northern side.

Located in a zone that permits both single and multifamily homes, the proposal requires Zoning Board permission to ease the density restrictions and other minor issues. Matteo says that even without the board's approval, he could build 33 units on the parcel. Tonight's meeting begins at 7:30 in Harris Hall.

Though the administration opposes the plans, lately its recommendation hasn't meant much to the zoning board. The city opposed the Monument Tap on Allen Avenue, and the board approved it. The city dropped its opposition to Harvest Community Church expanding on North Main Street, and the board rejected it. The board's action on the last issue led to an appeal in Superior Court.

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04/10/2001

## City housing plan on hold

JOSEPH B. NADEAU, Staff Writer

**WOONSOCKET -- The developer of a proposed apartment complex at the former Star Carbonizing plant on Diamond Hill Road will have to wait until June 11 or later for a zoning decision on his plan.**

The delay came after the Zoning Board of Review last night said it needs more information on a proposal from Andrew J. Matteo of North Providence for construction of 48 apartments in four buildings at the vacant parcel bordering the Peters River.

"I think there are still a lot of questions on the minds of the members," zoning board Chairman Walter Pristawa said before the unanimous vote to table.

The zoning board will await a ruling by the Department of Environmental Management on a wetlands permit for the site before continuing the tabled hearing, Pristawa said.

"I don't want see any drastic changes in the plan before we continue," he said.

Matteo is proposing construction of one- and two-bedroom apartments geared toward middle income and retired residents at the site, according to testimony he and his engineers presented to the board.

The developer, who is seeking to purchase the property from its owner, Andola Fibres Ltd., Ontario, Canada, could develop 33 units at the site without the variance, according to Gerald Laliberte, a former city solicitor and Matteo's attorney.

The proposed three-level structures would feature four apartments per floor.

"They won't be low income, Section 8 apartments, they will be apartments for middle class residents. More upscale from what is typical in Woonsocket," Matteo said.

Nicholas J. Piampiano of Cataldo Associates of Johnston, the developer's architect, noted wetland areas of the former manufacturing plant off Fulton Street and Diamond Hill Road will not be significantly affected by the project design.

A number of old retaining walls, foundations and paved areas remain from demolition of the former wool processing plant in the 1990s and represent greater impact on the wetlands than the current designs, he noted.

Some parking areas in the plan would lie within the 200-foot zone bordering the river requiring DEM review but would not have a negative impact due to drainage system designs and detention controls, he said.

The impact would also be minimized by the design staying within areas affected by past construction at the site, according to engineer.

"I feel it won't because all of this is in the area that was already disturbed by the previous development," Piampiano said when asked by Laliberte if the proposed development would significantly impact the river's wetland zone.

Joel D. Mathews, director of Planning and Development, testified, however, that some of the parking areas would be within feet of the river.

The city also fears, Mathews said, that federal apartment subsidies could be tapped at a later date if the apartments are not rented to the targeted market.

The city would object to the addition of new subsidized units given its current percentage of affordable housing in its total housing makeup, he said.

"The housing element in the comprehensive plan does not permit any new subsidized housing. It's a very strict statement because of the high numbers of subsidized housing we have now," he said.

The owner could provide a stronger assurance against subsidies by recording a covenant on the property to that effect in city property records, he noted.

Mathews also disputed the developer's contention that a single building housing up to 33 units of apartments could be constructed at the 4.5-acre parcel without zoning board action.

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Three residents of the neighborhood near Star Carbonizing opposed the proposed development.

Craig Brouillette, 32, of 185 Adams St., questioned the impact of 33 or 48 apartments on city services and schools.

"This is a very scary move happening in my neighborhood and my neighbors need more time to band together to oppose this," he said.

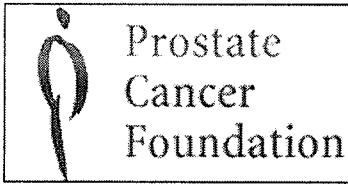
Gerard Martel, 74, of 63 Fulton Ave., a lifelong resident of the neighborhood, recalled the former manufacturing plant using a lagoon system for storing processing byproducts before their release into the river.

"Was any testing for contamination ever conducted on that land," he asked.

Another resident, Patricia Sawyer of 54 Fulton St., criticized the developer's report of no traffic impact, saying she believed negative impacts would result.

Laliberte, however, described the project as an improvement of a longstanding eyesore off Diamond Hill Road and potential tax benefit to the city.

"He's not looking for any subsidies. He's looking to do this on his own and to add to the city's tax base," Laliberte said.



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10/05/2003

## Bancroft mill goes to luxury

RUSS OLIVO, Staff Writer

**WOONSOCKET** - A proposal has surfaced to convert the turn-of-the-century Bancroft Mill at Social and Elm streets into a luxury condominium complex, officials say.

Dan Peloquin, an architect who has been hired for the project, said the owner of the 97,000-square-foot building will unveil drawings and other details of the proposal during a meeting of the City Council in Harris Public Library on Monday night. The owner of the vacant mill, Constitution Holding, a Rhode Island corporation, has asked the council for a zone change that would allow the project to move forward, said Peloquin.

The three-story, red-brick mill is known by most people as the Bancroft Mill, after the Bancroft Sporting Goods Company. Once a national player in the tennis equipment market, the Bancroft company, which dissolved in the 1980s, was actually the last in a long line of manufacturing enterprises which were once housed in the building.

The structure was originally christened the Philmont Mill and was part of the complex of Guerin Mills dotting the Social District which date back to the early 1900s. A family of entrepreneurs from Belgium, the Guerins operated the textile mill until the mid-1930s, when it was taken over by the Sydney Blumenthal Company, which continued to operate it as a textile manufacturing plant for several more decades.

"I've done quite a few buildings and this one is a good starting point," said Peloquin. "It's very sound, very well kept for a mill building."

Peloquin said the developers want to build approximately 45 "high end" condominium units in the building. If all goes smoothly, he said, the City Council could give the project a green light by Dec. 15. The developer - the same company that owns the mill - wants to proceed on a "very fast track," he said.

Peloquin declined to identify any of the principals of Constitution Holding, but he said the company is represented locally by Frank Jacques of Prudential Prime Realty. Jacques could not be reached for comment on this story.

From the city's perspective, the mill could hardly be better situated, geographically speaking, for a conversion to luxury condos, according to Planning Director Joel D. Mathews. The project dovetails nicely with Mayor Susan D. Menard's push to revitalize the Social District. Though the neighborhood has some isolated pockets of blight, the project adds more momentum to a construction blitz in the neighborhood.

A block north of the Bancroft Mill, a Watertown, Mass., company, SMC Holding, is spearheading the construction of 252 units of high-end apartments at the Mill Street site of the former Electronic Molding Corporation, which burned down in 1999. The Woonsocket Housing Authority is also converting the nearby Kendrick Avenue School, recently sold off by the school department, into several units of rental housing.

As the Bancroft proposal comes before the City Council, Mathews said the administration is recommending that the panel adopt the zone change requested by Constitution Holding. But the city also wants the panel to tie the approval to several conditions, including:

- A restriction on one and two-bedroom apartments to discourage buyers with children from moving in. Children are service-intensive and the city is trying to maximize the tax advantage of new housing while keeping educational costs contained.
- Giving the planning department the final authority to approve architectural and site plans.
- A sunshine clause that would cause the zoning permit to lapse after two years if construction has not begun.

"This is an opportunity to do something really nice over there and we want to make sure the developers follow through with that," said Mathews.

The mill is located on a 2.5-acre parcel of land that is presently zoned for mixed commercial and industrial uses. Constitution Holding wants the City Council to rezone the parcel for multi-family use, similar to other land abutting the mill, said Mathews.

Even if the council likes the proposal, it won't be able to approve the zone change on Monday night. Under legal codes, the council cannot act on such a request for at least 45 days. During that period, the proposal must be advertised in a newspaper of general circulation and abutters

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# The Call

05/26/2002

## City seeks repeal of tax break

RUSS OLIVO, Staff Writer

**WOONSOCKET** -- The city has petitioned the General Assembly to repeal a law that rolls back the property taxes for certain classes of low-income housing, saying it's unfair to people who have to pay 100 percent of their property taxes.

The move comes after a Superior Court judge last week issued a judgment against the city in a lawsuit in which two limited-partnership organizations which own a share of 23 Constitution Hill tenements challenged their 1999 property assessments. Judge Vincent Ragosta ordered the city to reimburse Securing the Future and Reclaiming the Vision roughly \$45,000, plus interest and legal fees. The plaintiffs are associated with the Woonsocket Neighborhood Development Corporation, a non-profit agency that builds affordable housing.

In their lawsuit, the plaintiffs relied on Title 44, Chapter 5-13.11 of the Rhode Island General Laws.

Mayor Susan D. Menard has written to House Speaker John B. Harwood and House Majority Leader Gerard M. Martineau, seeking the repeal or amendment of the law.

"I am most displeased with the provisions of 44-5-13.11," the mayor wrote last week. "It is clear that in providing affordable housing units to some city residents that this is being done to the detriment of other private property owners, who will have pick up this additional tax burden."

City officials say the typical rental unit taxed at full value in the city translates to about \$1,000 per year in property taxes, but RIGL 44-5-13.11 reduces the figure to about \$425.

Enacted in January 1995, the measure says that any property which has undergone a "substantial rehabilitation" and for which either rents or the incomes of the occupants are restricted by deed covenant may be taxed at no more than 8 percent of the property's previous year's gross income. The law was promulgated by the Rhode Island Housing and Mortgage Finance Corp. as a way to promote the construction of affordable housing, officials said.

The mayor said the city initially helped WNDC build affordable housing in Constitution Hill, funneling some \$300,000 into rehabilitation projects. But Menard said that the city was acting under the belief that WNDC was building "owner occupied" housing that would generate fully taxable units where tenants would be ineligible for government rent subsidies.

But Menard now says the city was misled by WNDC. The reality, said the mayor, is that the members of the organizations Securing the Future and Reclaiming the Vision, which represent some 90 tenant families, own a collective one half of one percent of the equity in their homes.

"Individually, that amounts to a doorknob," the mayor said.

Many of the tenants also receive additional subsidies in the form of Section 8 rental vouchers. Private landlords who rent to Section 8 tenants do not receive the same tax benefits as WNDC, she said.

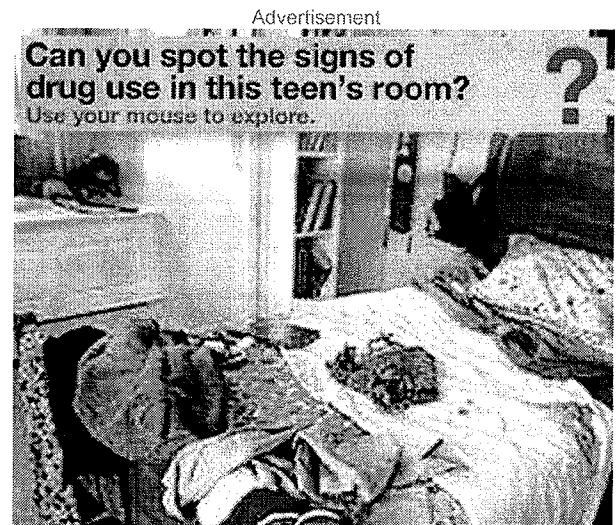
The danger of RIGL 44-5-13.11 isn't necessarily the rebate it affords WNDC today, but in years to come, as the housing agency or others like it continue rehabilitating more and more rental units, according to Menard. The mayor said she is incredulous that the General Assembly could have intended to pass a law that enables such entities to buy up city property by the block and cut their tax bill by 55 percent.

"It has to stop somewhere," added Planning Director Joel Mathews. "The tax load WNDC is shedding has to be picked up by everybody else who is paying 100 percent of their taxes."

Securing the Future and Reclaiming the Vision filed suit in Superior Court after the city taxed them at full value. Judge Ragosta entered the judgment after both sides submitted a memo, officials said. Ragosta gave no rationale for his ruling, which did not surprise the city. The law, the mayor said, is "black and white."

Joseph Garlick, the executive director of WNDC, defended the law. Garlick said the law is fair to landlords because it adjusts taxes to reflect the diminution in property values caused by restrictions on rent or the income of tenants. Tenants in WNDC property must meet income guidelines established for low- to moderate income families assisted by the federal Department of Housing and Urban Development.

The mayor's tax policy, he said, does nothing to alleviate the problems of the poor in finding affordable homes, which is a major problem in the city.



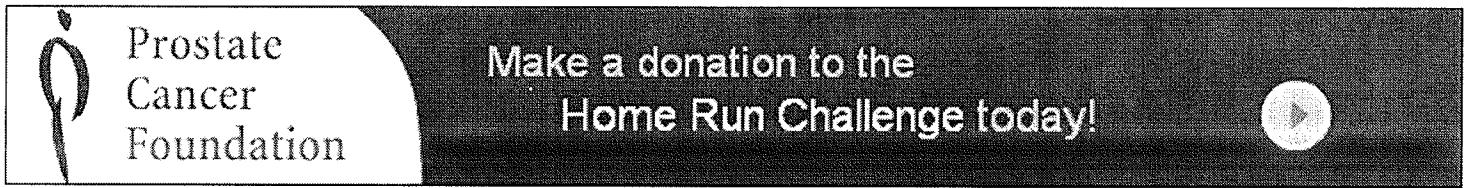
"There is an affordable housing crisis in the city, whether the mayor wants to acknowledge it or not," he said. Garlick denied that WNDC ever misled the city about WNDC's intent when it began rehabilitating housing in Constitution Hill. Officials, he said, were well aware that the housing would not be owner-occupied in the traditional sense, but that tenants would only own a small equity stake in their homes.

The mayor's legal bid to deny WNDC a legitimate tax benefits was not the city's only anti-agency action of late, Garlick said. The mayor also cut the agency's federal "CHDO" funding. The letters are an acronym for Certified Housing Development Organization. The city gets about \$2.2 million from HUD every year for a variety of purposes, including assisting low-income people with housing acquisition and rehabilitation.

As a condition of receiving all the money, the city is obligated to provide a certain allotment -- about \$82,000 -- to a CHDO, and until this year there was none but WNDC. Now the Woonsocket Housing Authority has launched a new CHDO agency called the Blackstone Valley Development Corp. The city has begun funding the agency, cutting off WNDC.

The city recently acquired a single-family home on Social Street which will become the new agency's first rehabilitation venture, Menard said.

"It hurts," said Garlick.



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